

13

This instrument prepared by,
~~and to be returned to:~~
Michael A. Demetriou, Esq.
SNR Denton US LLP
233 South Wacker Drive
Suite 7800
Chicago, Illinois 60606

2011 027054

STATE OF ILLINOIS
LAKE COUNTY
FILED FOR RECORD

2011 MAY 16 AM 9:29

RECORDER OF DEEDS
LAKE COUNTY, ILLINOIS

Return to:
First American Title Insurance Company
Attn: Heather Vree
30 N. LaSalle St, Suite 2700
Chicago, IL 60602

MORTGAGE MODIFICATION AGREEMENT

THIS **MORTGAGE MODIFICATION AND EXTENSION AGREEMENT** (this "**Agreement**") is executed this 17th day of December, 2010 by and between **SAVARINO PROPERTIES, LTD.**, an Illinois corporation (the "**Savarino Properties**") whose address is 20117 Alison Drive, Mokena, IL 60448, **SAVARINO BUILDERS LTD.**, an Illinois corporation ("**Limited Borrower**", and collectively, with Savarino Properties, the "**Borrower**"), and **FIRSTMERIT BANK, NATIONAL ASSOCIATION**, as successor in interest to **GEORGE WASHINGTON SAVINGS BANK** (the "**Lender**"), whose address is 14701 S. LaGrange Road, Orland Park, IL 60462.

**This Document is the property of
the Lake County Recorder!**

RECITALS

A. Pursuant to a Business Loan Agreement ("**Loan Agreement**") dated as of June 1, 2005 by and between Borrower and Lender, Lender extended a loan (as amended from time to time, the "**Loan**") to Borrower in the original principal amount of Two Hundred Nine Thousand (\$209,000).

B. In connection with the Loan, Borrower executed and delivered to Lender a Note (as amended from time to time, the "**Note**") dated as of June 1, 2005 in the original principal amount of Two Hundred Thousand (\$209,000).

C. The Note and Loan are secured by the loan documents listed under "**Calumet Loan**" on **Exhibit A** attached hereto and made a part hereof, which are a lien upon and encumber the property described on **Exhibit B** attached hereto, and made a part hereof (the "**Mortgaged Premises**"), including without limitation, that certain Mortgage (the "**Mortgage**") dated as of June 1, 2005, executed by Borrower in favor of Lender, encumbering the Mortgaged premises, which was recorded in the Office of the Recorder of Deeds for Lake County, Indiana on July 25, 2005, as Document No. 2005-061487 and that certain Assignment of Rents (the "**Assignment of Rents**") dated as June 1, 2005, executed by Borrower in favor of Lender encumbering the Mortgaged Premises, which was recorded in the Office of the Recorder of Deeds for Lake County, Indiana on July 25, 2005 as Document No. 2005-061488 (the Note, Loan Agreement, Mortgage, Assignment of Rents, and all other loan documents listed on Exhibit

NCS - 488229 ACCOM
1 of 1

12839879/V-1

40.00
1000K
005328
LR
JREF

A, as modified by this Agreement and any and all documents made or executed by Borrower and Lender on or about the date hereof, are collectively referred to herein as the “**Loan Documents**”).

D. Borrower has requested that Lender further modify the Loan Documents and extend the term of the Loan, and Lender is willing to do so, subject to Borrower’s agreement to, and strict compliance with, the terms and provisions herein and in that certain Master Loan Modification Agreement (the “**Loan Modification Agreement**”) executed by Borrower and Lender on or about the date hereof.

E. To induce Lender to agree to the modifications granted herein, and in the Loan Modification Agreement, and as a condition precedent thereto, Borrower has agreed to cross collateralize the Loan on the Mortgaged Premises with other loans made by Lender to Borrower, and described on Exhibit A hereto (each, a “**Savarino Loan**”, and collectively the “**Savarino Loans**”) and secured by other collateral described under all of the loan documents securing the Savarino Loans (collectively, the “**Savarino Loan Documents**”), and to cross default the terms of all of the Savarino Loans with the Loan.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Recitals and Definitions. The above recitals are true and correct and are incorporated herein by this reference. All references in the Mortgage to the “**Loan Agreement**” are hereby amended so that the same shall be deemed to mean and refer to the Loan Agreement, as amended herein and by the Modification Agreement. Capitalized terms used but not defined herein shall be as defined in the Loan Agreement. All references to any of the instruments, documents, and agreements which constitute individually a “**Loan Document**” or collectively, the “**Loan Documents**” under the Loan Agreement are hereby amended so that the same shall be deemed to mean and refer to such instruments, documents, or agreements as amended pursuant to the Loan Modification Agreement and this Agreement. All references in the Mortgage and Loan Documents to the “**Indebtedness**” shall be deemed to mean and refer to the indebtedness under the Note and the related obligations under the Loan Agreement as amended by the Loan Modification Agreement. The Loan Modification Agreement is incorporated by reference herein and made a part hereof.

2. Extension of Maturity Date. The Maturity Date is hereby extended to August 31, 2011. Borrower acknowledges and agrees that Borrower has no further extension options under the Loan Documents.

3. Cross Collateralization. Notwithstanding anything to the contrary contained in the Loan Documents, Borrower and Lender hereby agree that (i) the collateral described in the Savarino Loan Documents shall secure all of the indebtedness, liabilities and obligations of Borrower under the Loan Documents, and (ii) the collateral described in the Loan Documents shall secure all of the indebtedness, liabilities and obligations of Borrower under the Savarino Loan Documents.

Borrower hereby acknowledges that Lender would not enter into the Loan Modification Agreement unless the collateral described in the Savarino Loan Documents were additional security for the Loan and the shareholders, directors and officers of Borrower will receive a direct financial benefit by Lender entering into the Loan Modification. Borrower hereby hypothecates and pledges the collateral described in the Savarino Loan Documents, respectively as security for the Loan. Borrower hereby hypothecates and pledges the collateral described in the Loan Documents as security for the Savarino Loans and any amendments, modifications, extensions or renewals of the Savarino Loans.

4. Cross Default. Any default, event of default or Event of Default, after expiration of any applicable notice and cure period (an "Event of Default") by Borrower in the performance or observance of any payment, covenant, promise, condition or agreement of the Loan Documents or the Savarino Loan Documents, respectively, shall be deemed an Event of Default under the Loan Documents and the Savarino Loan Documents, entitling Lender to exercise any or all of the remedies provided for in the Loan Documents and Savarino Loan Documents, and Lender may apply the proceeds of any realization upon any collateral, as a result of the exercise of such remedies, to amounts due Lender under the Loan, or to amounts due Lender under the Savarino Loans in such manner as Lender may elect in its sole discretion.

5. No Waiver. Failure by Lender to exercise any right which it may have under the Loan Documents or the Savarino Loan Documents shall not be deemed a waiver thereof unless so agreed in writing by Lender, and the waiver by Lender of any Event of Default by the Borrower under the Loan Documents or the Savarino Loan Documents shall not constitute a continuing waiver of any other default or of the same default on any further occasion.

6. Amendment to the Loan Documents and the Savarino Loan Documents. This Agreement also constitutes an amendment to each of the Loan Documents and the Savarino Loan Documents and supersedes any provisions of such documents which are inconsistent with the terms of this Agreement. The Loan Documents and the Savarino Loan Documents are hereby amended to provide that the collateral described in the Loan Documents secures the obligations, liabilities and indebtedness of Borrower under the Savarino Loan Documents and any modifications, amendments, extensions or renewals of the Savarino Loan Documents. The Loan Documents and the Savarino Loan Documents are hereby amended to provide that the collateral described in the Savarino Loan Documents secures the obligations, liabilities and indebtedness of Borrower under the Loan Documents and any modifications, amendments, extensions, or renewals of the Loan Documents.

Borrower further agrees that the collateral described in the Savarino Loan Documents shall be subject to disposition in accordance with the terms of the Savarino Loan Documents, as modified by this Agreement, upon the occurrence of an Event of Default (as defined above), including without limitation, failure to pay any amounts due under the Loan Documents on or before the date such payments are due. Borrower further agrees that the collateral described in the Loan Documents shall be subject to disposition in accordance with the terms of the Loan Documents, as modified by this Agreement, upon the occurrence of an Event of Default (as defined above), including without limitation, failure to pay any amounts due under the Savarino Loan Documents on or before the date such payments are due.

7. Further Assurances. Borrower agrees to do whatever is reasonably required in order for Lender to perfect and continue to perfect Lender's mortgages, security interests, liens and encumbrances on the collateral described in the Loan Documents as security for the Loan and as Lender may from time to time reasonably require. Borrower agrees to do whatever is reasonably required in order for Lender to perfect and continue to perfect Lender's mortgages, security interests, liens and encumbrances on the collateral described in the Savarino Loan Documents as security for the Savarino Loans and as Lender may from time to time reasonably require.

8. Remedies. Borrower hereby grants Lender the same rights, power and remedies as set forth in the Loan Documents upon the occurrence of an Event of Default (as defined above) with respect to the indebtedness, liabilities and obligations due Lender the Savarino Loans until all of the indebtedness, liabilities and obligations due Lender under the Savarino Loans has been paid in full. Borrower consents to any extensions or renewals from time to time of any of the indebtedness, liabilities or obligations due under the Savarino Loans and waives any notice of any creation, existence, extension or renewals from time to time of any of the indebtedness, liabilities and obligations. Borrower hereby grants Lender the same rights, power and remedies as set forth in the Savarino Loan Documents upon the occurrence of an Event of Default (as defined above) with respect to the indebtedness, liabilities and obligations due Lender the Loan until all of the indebtedness, liabilities and obligations due Lender under the Loan has been paid in full. Borrower consents to any extensions or renewals from time to time of any of the indebtedness, liabilities or obligations due under the Loan and waives any notice of any creation, existence, extension or renewals from time to time of any of the indebtedness, liabilities and obligations.

9. Release of Collateral. Notwithstanding anything to the contrary contained herein or in any Loan Document or in any Savarino Loan Document, provided no Event of Default exists under any of the Loan Documents or the Savarino Loan Documents, Lender shall release the collateral securing the Loan, or any of the Savarino Loans, as described on Exhibit A, as the collateral for the Loan and as the cross-collateral for the Savarino Loans at such time as all of the indebtedness, liabilities and obligations due Lender under the Loan or the respective Savarino Loan have been paid in full.

10. Notices. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing, addressed as follows and shall be deemed to have been properly given if hand delivered, if sent by reputable overnight courier or if mailed by United States registered or certified mail, postage prepaid, return receipt requested to the addresses for the respective parties first written above or at such other address as the party to be served notice may have furnished in writing to the party seeking or desiring to serve notice as a place for service of notice. Notices given in any other fashion shall be deemed effective only upon receipt.

11. General.

(a) Time. Time is of the essence of each provision of this Agreement.

(b) Binding Effect. This Agreement will inure to the benefit of and bind the respective successors and permitted assigns of the parties. This Agreement shall be governed by the laws of the State of Illinois.

(c) Enforcement Expenses. Borrower will reimburse Lender for any and all reasonable costs and expenses incurred by Lender in preparing, negotiating, enforcing, and implementing this Agreement, including, without limitation, reasonable attorneys' and paralegal's fees and costs incurred in any trial, appellate, bankruptcy, and post-judgment proceedings.

(d) Severability. If any provision of this Agreement is determined by a court having jurisdiction to be illegal, invalid or unenforceable under any present or future law, the remainder of this Agreement will not be affected thereby. It is the intention of the parties that if any provision is so held to be illegal, invalid or unenforceable, there will be added in lieu thereof a provision as similar in terms to such provision as is possible that is legal, valid and enforceable.

(e) Headings. The headings used in this Agreement are for ease in reference only and are not intended to affect the interpretation of this Agreement in any way.

(f) Amendment. Neither this Agreement nor any of the provisions hereof can be changed, waived, discharged or terminated, except by an instrument in writing signed by the party against whom enforcement of the change, waive, discharge or termination is sought. All provisions of the mortgage and loan documents are hereby modified for consistency with the changes made herein and in the Loan Modification Agreement.

(g) No Joint Venture. Nothing contained in this Agreement, the Loan Modification Agreement, or in any other Loan Document will be construed to constitute the Lender as a joint venturer with the Borrower or to constitute a partnership.

(h) Extension of Loan. It is understood that, except as specifically and expressly provided herein, the Lender is under no obligation to extend the term of the Loan and that any such extension will be made in the Lender's sole and absolute discretion.

(i) WAIVER OF JURY TRIAL. BORROWER AND LENDER HEREBY AGREE THAT THE WAIVER OF THE RIGHT TO TRIAL BY JURY, AS SET FORTH IN THE MORTGAGE, SHALL APPLY TO THIS AGREEMENT AND TO THE MORTGAGE AND LOAN DOCUMENTS AS AMENDED BY THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement to be effective as of the day and year first above written.

BORROWER:

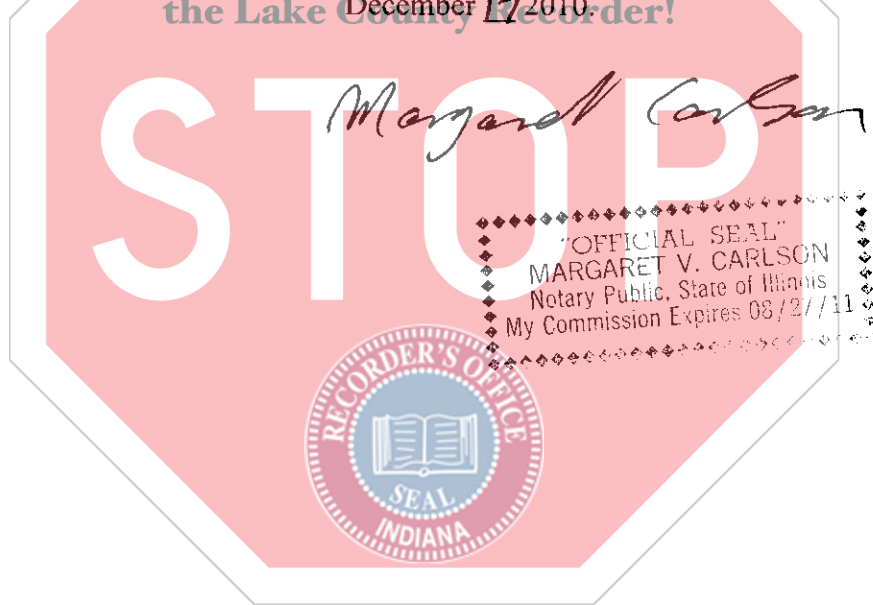
SAVARINO PROPERTIES, LTD., an Illinois Corporation

By: *Biagio J. Savarino*
Name: Biagio J. Savarino
Title: President

STATE OF ILLINOIS
COUNTY OF COOK

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Biagio J. Savarino, personally known to me to be President of Savarino Properties, Ltd., an Illinois corporation, to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged he signed and delivered the said instrument as his free and voluntary act, and as the free and voluntary act and deed of said corporation, limited partnership, and limited liability company for the uses and purposes therein set forth.

Given under my hand and official seal this
December 17 2010.
the Lake County Recorder!



LENDER:

FIRSTMERIT BANK, NATIONAL
ASSOCIATION

By: 
Peter X. Flory
Vice President

STATE OF ILLINOIS
COUNTY OF COOK

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Peter X. Flory, personally known to me to be Vice President of FirstMerit Bank, National Association, to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged he signed and delivered the said instrument as his free and voluntary act, and as the free and voluntary act and deed of said corporation, limited partnership, and limited liability company for the uses and purposes therein set forth.

Given under my hand and official seal this December 17 2010.





OFFICIAL SEAL
MARGARET V. CARLSON
Notary Public, State of Illinois
My Commission Expires 08/27/11

EXHIBIT A

SAVARINO LOANS AND SAVARINO LOAN DOCUMENTS

1. Savarino Builders, Ltd. (“**Borrower**”) - \$1,540,000 - 205 OAK TREE COURT, PALOS PARK, ILLINOIS 60464 (the “**Oak Tree Court Loan**”) (All documents by and between Borrower and Lender and dated 10/31/2008 unless otherwise stated).

Applicable Loan Documents:

- (a) Note
- (b) Loan Agreement
- (c) Commercial Guaranty from Biagio J. Savarino to Lender
- (d) Construction Mortgage recorded November 10, 2008 in Cook County, IL as document 0831505064 made by Savarino Builders, Ltd. to George Washington Savings Bank in the amount of \$1,540,000.00
- (e) Assignment of Rents made by Savarino Builders, Ltd. to George Washington Savings Bank recorded November 10, 2008 in Cook County, IL as document 0831505065

2. Savarino Builders, Ltd. (“**Borrower**”) - \$1,340,000 - 20117 ALISON TRAIL, MOKENA, ILLINOIS 60448 (the “**Alison Trail Loan**”) (All documents by and between Borrower and Lender and dated 11/20/2006 unless otherwise stated)

Applicable Loan Documents:

- (a) Note (as amended by a Change in Terms Agreements dated 12/07/07, 06/01/08 and 06/01/2009)
- (b) Loan Agreement
- (c) Commercial Guaranty from Biagio J. Savarino to Lender, Commercial Guaranty from Biagio J. Savarino to Lender dated December 1, 2007, Commercial Guaranty from Biagio J. Savarino to Lender dated June 1, 2008 and Commercial Guaranty from Biagio J. Savarino to Lender dated June 1, 2009
- (d) Construction Mortgage recorded December 4, 2006 recorded with the Will County Recorder as document R2006-199903 made by Savarino Builders, Ltd. to George Washington Savings Bank in the amount of \$1,340,000.00
- (e) Assignment of Rents made by Savarino Builders, Ltd. to George Washington Savings Bank recorded December 4, 2006 with the Will County Recorder as document R2006-199904
- (f) Modification of Mortgage dated 06/01/2008 but not recorded in the public records of Will County

(g) Modification of Mortgage dated 06/01/2009 but not recorded in the public records of Will County

3. Savarino Builders, Ltd. ("**Borrower**") - \$250,000 - 20117 ALISON TRAIL, MOKENA, ILLINOIS 60448 (the "**Second Alison Trail Loan**") (All documents by and between Borrower and Lender and dated 02/19/2008 unless otherwise stated)

Applicable Loan Documents:

- (a) Note
- (b) Business Loan Agreement
- (c) Change in Terms Agreement dated 06/01/2009
- (d) Commercial Guaranty from Biagio J. Savarino to Lender, Commercial Guaranty from Biagio J. Savarino to Lender dated July 1, 2008, Commercial Guaranty from Biagio J. Savarino to Lender dated September 1, 2008 and Commercial Guaranty from Biagio J. Savarino to Lender dated June 1, 2009
- (e) Mortgage dated June 1, 2009 and recorded June 12, 2009 with the Will County Recorder as document R2009-70041 made by Savarino Builders, Ltd. to George Washington Savings Bank in the amount of \$250,000.00
- (f) Assignment of Rents dated June 1, 2009, made by Savarino Builders, Ltd. to George Washington Savings Bank and recorded June 12, 2009 with the Will County Recorder as document R2009-70038

4. Savarino Builders, Ltd. ("**Borrower**") - \$591,150 - LOTS 147, AND 154 IN FOXBOROUGH ESTATES, MOKENA, ILLINOIS 60448 (the "**Lots 147 & 154 Loan**") (All documents by and between Borrower and Lender and dated 09/05/2006 unless otherwise stated)

Applicable Loan Documents:

- (a) Note
- (b) Business Loan Agreement
- (c) Change in Terms Agreement dated 09/01/2007
- (d) Change in Terms Agreement dated 09/01/2008
- (e) Commercial Guaranty from Biagio J. Savarino to Lender, Commercial Guaranty from Biagio J. Savarino to Lender dated September 1, 2007 and Commercial Guaranty from Biagio J. Savarino to Lender dated September 1, 2008

(f) Mortgage recorded September 13, 2006 with Will County Recorder, as document R2006-154132 made by Savarino Builders, Ltd. to George Washington Savings Bank in the amount of \$591,150.00

(g) Modification of Mortgage dated 09/01/2007 but not recorded in the public records of Will County

(h) Modification of Mortgage dated 09/01/2008 but not recorded in the public records of Will County

(i) Assignment of Rents made by Savarino Builders, Ltd. to George Washington Savings Bank recorded September 13, 2006 with the Will County Recorder as document R2006-154133

5. Savarino Builders, Ltd. ("**Borrower**") - \$568,560 - Lots 145, 149 in Foxborough Estates, Mokena, IL 60448 (the "**Lots 145 & 149 Loan**") (All documents by and between Borrower and Lender and dated 10/31/2005 unless otherwise stated)

Applicable Loan Documents:

(a) Note

(b) Business Loan Agreement

(c) Commercial Guaranty from Biagio J. Savarino to Lender, Commercial Guaranty from Biagio J. Savarino to Lender dated May 1, 2007, Commercial Guaranty from Biagio J. Savarino to Lender dated May 1, 2008, Commercial Guaranty from Biagio J. Savarino to Lender dated May 1, 2009

(d) Commercial Guaranty from Adriana Savarino to Lender, Commercial Guaranty from Adriana Savarino to Lender dated May 1, 2007, Commercial Guaranty from Adriana Savarino to Lender dated May 1, 2008, Commercial Guaranty from Adriana Savarino to Lender dated May 1, 2009

(e) Changes in Terms Agreement dated 05/01/2007

(f) Changes in Terms Agreement dated 05/01/2008

(g) Changes in Terms Agreement dated 05/01/2009

(h) Mortgage recorded November 14, 2005 with the Will County Recorder as document R2005199427 made by Savarino Builders Ltd. to George Washington Savings Bank in the amount of \$568,560.

(i) Modification of Mortgage dated 05/01/2007 but not recorded with the Will County Recorder.

(j) Modification of Mortgage dated 05/01/2008 but not recorded with the Will County Recorder.

(k) Modification of Mortgage dated 05/01/2009 but not recorded with the Will County Recorder.

(l) Assignment of Rents recorded November 14, 2005 with the Will County Recorder as document R2005199428 made by Savarino Builders Ltd. to Washington Savings Bank

6. Savarino Properties, Ltd. ("**Borrower**") - \$209,000 - 2105 CALUMET AVENUE, HAMMOND, INDIANA 46394 (the "**Calumet Loan**") (All documents by and between Borrower and Lender and dated 06/01/2005 unless otherwise stated)

Applicable Loan Documents:

- (a) Note
- (b) Business Loan Agreement
- (c) Commercial Guaranty from Biagio J. Savarino to Lender
- (d) Commercial Guaranty from William Savarino to Lender
- (e) Mortgage in the amount of \$209,000.00 from Savarino Properties, Ltd. to George Washington Savings Bank dated June 1, 2005 and recorded July 25, 2005 as Document Number 2005-061487 in the Office of the Recorder of Lake County, Indiana
- (f) Assignment of Rents by and between Savarino Properties, Ltd. and George Washington Savings Bank dated June 1, 2005 and recorded July 25, 2005 as Document Number 2005-061488 in the Office of the Recorder of Lake County, Indiana

7. Savarino Builders, Ltd. ("**Borrower**") \$169,200 - 9511 CORSAIR ROAD, UNIT B, FRANKFORT, IL 60423 (the "**Corsair Loan**") (All documents by and between Borrower and Lender dated December 9, 2004 unless otherwise stated)

Applicable Loan Documents:

- (a) Note
- (b) Business Loan Agreement
- (c) Commercial Guaranty from Biagio J. Savarino to Lender
- (d) Mortgage recorded December 14, 2004 with the Will County Recorder as document R2004225366 by and between Savarino Builders, Ltd. and George Washington Savings Bank in the amount of \$169,200.00

(e) Assignment of Rents by and between Savarino Builders, Ltd. to George Washington Savings Bank recorded December 14, 2004 with the Will County Recorder as document R2004225367



EXHIBIT B

LEGAL DESCRIPTION

LOT 32 TO 35, BOTH INCLUSIVE IN BLOCK 1 IN SECOND LAKE ADDITION TO HAMMOND, AS PER PLAT THEREOF RECORDED IN PLAT BOOK 18 PAGE 12, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

Address: 2105 Calumet Avenue
Hammond, IN 46394
Taxing Unit 26 Key No.: 34-244-32

